the Budget Session of Parliament in order to augment the revenue of States?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) to (d) There were reports from various State Governments to whom the revenues from Central sales tax have been assigned about large scale avoidance of Central sales tax leviable on inter-State sales of goods through the device of consignment of goods from one State to another. The Constitution was, therefore, amended through the Constitution (Fory-sixth Amendment) Act, 1982 which received President's assent on 3-2-1983 to enable *inter-alia* the levy of tax on inter-State consignment of goods. The matter was discussed in the Chief Ministers conference held on 2-11-83 and 28-5-1984. The latter conference recommended by consensus different aspects of farming a legislation for taxing inter-state consignment of goods. As some of the issues are required to be sorted out, it has not been possible to take final decision.

Decline in Small Savings

830. SHRI JAGESH DESAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that on account of modifications in the policy relating to small savings made from April, 1986, there has been sharp decline in small savings collection;

(b) whether Government are aware that because of this change of policy, collection from small savings during the current Plan period will be less by Rs. 1750 crores in Maharashtra;

(c) whether it is a fact that the Maharashtra Government has recommended several measures to boost small savings collection; and

(d) if so, what are the recommendations and what steps the Central Government have taken or contemplate in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) The pattern of investment by non-Government Employees Provident Funds was revised from 1-4-86 as per which these funds are not allowed to invest in Post Office Time Deposit Accounts. It is not possible to estimate short-fall in collections for current plan period in Maharashtra.

(c) and (d) Yes, Sir. The important recommendations made by Government of Maharashtra are indicated below :—

(i) The maturity period of Indira Vikas Patra (I.V.P.) be brought back to 5 years.

(ii) The rate of interest on National Savings Certificates be revised upward from 11 per cent to 12 per cent.

(iii) The pattern of investment of Employees Provident Funds operative before 1-4-1986 should be restored.

(iv) Agents mobilising funds under Monthly Income Scheme and Indira Vikas Patra should be eligible to get commission at the rate of 1 per cent.

(v) Cumulative Deposit Scheme which was discontinued from 1-4-86 be reinstated.

Government is closely monitoring small savings collections. A new scheme namely Post Office Monthly Income Account was introduced on 15-8-1987. Agents mobilising collections under this scheme are eligible to get commission at 1 per cent of the deposits. Government has also appointed an Expert Group to evolve

strategy for maximising small savings collectoins.

Payment out of the Share of Central Excise Duty to States

831. SHRI JAGESH DESAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Seventh Finance Commission recommended that during each years of 1979-80 to 1983-84 the entire net proceeds of the Central excise duty on generation of electricity be paid to each State equal to the collection attributed to that State:

(b) if so, what was the collection of such excise duty from each State and what amounts were paid to each State;

(c) what were the collections from Maharashtra and the amount paid by the Central Government to that State; and

(d) wheher it is a fact that Maharashtra Government has been paid less to the tune of about Rs. 30 crores and if so, what steps Government propose to take to settle this issue?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) Yes, Sir. (b) to (d) A statement is laid on the Table.

Statement

The net proceeds of the Union Duties of Excise on Electricity (other than in Union Territories) were required to be distributed among the States as per the percentage share prescribed in the Union Duties of excise (Electricity) Distribution Act, 1980 and not on the basis of Statewise collections. Further, Statewise collection figures are not available. In accordance with the Union Duties of Excise (Electricity) Distribution Rules, 1980 framed under the above Act, the net proceeds of the duties have been provisionally distributed among the States during 1979-80 to 1983-84 subject to final adjustment on the basis of certified figures of the Comptroller and Auditor General of India. Accordingly, the amounts paid to various States during the above period are as follows:—

	States	Rs. in crores
1	Andhra Pradesh	68.72
2	Assam	9.54
3	Bihar	53.15
4	Gujarat	59 87
5	Haryana	24.03
6	Himachal Pradesh	5 81
7	Jammu & Kashmir	6 86
8	Karnataka	54.73
9	Kerala	29.53
10	Madhya Pradesh	46 97
11	Maharashtra	109.65
12	Manipur	0.49
13	Meghalaya	1.92
14	Nagaland	0.65
15	Orissa	30.02
16	Punjab	42 01
17	Rajasthan	28.45
18	Tamilnadu	54.56
19	Tripura	0.4
20	Uttar Pradesh	94.13
21	West Bengal	71.54

According to departmental records, a sum of Rs. 150.01 crores was collected as Central Excise Duty on electricity generation in Maharashtra during the period 1979—84. The share of the Government of Maharashtra worked out to Rs. 109.65 crores and this